

HABITAT

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"TWENTY YEARS OF HOUSING"

The story of Canada's housing since World War II is rarely told. There are many who have never heard it at all. Two-thirds of a generation has since passed and housing in Canada has undergone expansion and evolution to a remarkable degree.

Twenty years is also a good span in the life of any organization, an appropriate time to chronicle past accomplishments. To note the occasion Mr. R. G. Lillie, Special Assistant to the Corporation's Ontario Regional Supervisor, has written a series of articles detailing the attainments of C.M.H.C. since its inception. He describes the various changes to the National Housing Act approved by Parliament over the years and sets these against the economic background of their times.

The first of Mr. Lillie's articles appears in this issue. They represent time and hard work. They also commemorate the industry and imagination of countless Canadians in many spheres of activity who have helped develop urban Canada as we enjoy it to-day.

* * *

The relay-race is a reflection of our daily activities—the transfer of baton, ideas or work takes place everywhere. So it is with Habitat.

Over the last six years many excellent articles have been published under H. R. B. MacInnes' editorship, including the presentation of some ideas and sketches that led to the Habitat 67 project now being constructed in Montreal. Habitat over these years has blossomed, prospered and won awards.

The change-over will allow Mr. MacInnes to give full time to his supervisory responsibilities, and he will be on the side of the track to encourage the next runner as he sets off with the baton.



Twenty Years of Housing

CMHC 1946-1966

by R. G. Lillie

Mr. Lillie was born in Toronto and received his early education there. He obtained a degree in Economics at McMaster University in 1934. He entered the real estate business the same year as an assistant to B. A. Lillie in Toronto and after three years he resigned to accept a post with the National Trust Company Limited.

At the outbreak of World War II, Mr. Lillie enlisted in the Army and saw service in Canada, Iceland, England, France and Germany. He was retired with the rank of Major and rejoined the National Trust, where he remained as a Property Manager and Appraiser until joining the Corporation in 1946 as Secretary of the Ontario Regional Office.

The following year Mr. Lillie was named Branch Manager in Calgary, Alberta then Assistant Regional Supervisor, Maritime Region in 1952 and Assistant Regional Supervisor of the Prairie Region in 1955. In 1958 Mr. Lillie was named Manager of the Toronto Branch Office, where he remained until appointed to his present post as Special Assistant to the Regional Supervisor, Ontario Region.

Mr. Lillie is a member of the Military Institute and also the Canadian Appraisal Society.

In 1945 when the Minister of Finance the Hon. H. J. Ilesley, introduced to Parliament the legislation which created Central Mortgage and Housing Corporation, he said, "... There is no problem before the country today more important than the provision of additional housing accommodation ... nor ... is there any problem which presents so many practical difficulties in reaching a speedy and satisfactory solution." The story of these difficulties and the efforts made towards their solution, is the story of the Corporation.

THE BACKGROUND

This country has changed so very drastically in twenty years that the problems of 1946 cannot be described without trying to set the atmosphere prior to that time.

During the decade before the outbreak of World War II Canada, like the rest of the world, suffered an economic depression so dreadful it now seems slightly unreal even to

those who were part of it. The world financial system crumbled in the '30s and the Canadian economy collapsed with it. Canadians, in the words of a Royal Commission, "staggered under a burden of debt which, in relation to their incomes, was the highest in recorded history." From 1929 to 1933, the decline in real estate prices was about forty per cent and heavy unemployment caused so many foreclosures on mortgaged homes that all provinces introduced "moratorium" (delay) legislation which in general allowed the mortgage borrower to remain in possession if he could pay mortgage interest and taxes — repayment of principal was put off until a better day should come.

Land became virtually unsaleable. In Winnipeg, for instance, more than one-third of the land area was in municipal ownership by 1937, largely because of nonpayment of taxes on vacant building lots. Some provinces, and many municipalities, were bankrupt as tax revenues declined but debt charges went on.

Under such conditions, the effective demand for new housing was low. Housing completions in 1933 were only a third of the completions in 1929, totalling less than 22,000 units. This drop in residential construction activity naturally resulted in unemployment in the construction trades; unemployment caused lower effective demand; it was a cycle which had to be arrested.

EARLY FEDERAL HOUSING LEGISLATION

One of the reasons for decreasing effective demand was that the sources of second mortgage money dried up completely. In an effort to overcome this problem the Dominion Housing Act was introduced by the Federal Government in 1935.

Under the Act, the Government added 20% of the lending value to the 60% loan made by insurance and trust companies, thus covering a gap in home financing which had traditionally been covered by private second mortgage funds.

The Department of Finance administered the Act which remedied one of the points of weakness in the mortgage structure, but there were too many economic factors working against its success and less than 5,000 loans were made in the three years before the Act was superseded by the National Housing Act in 1938.

This new legislation included the 1935 provisions, with some changes encouraging the lending companies to be more active outside the large urban centres and with people of lower incomes. This Act included provisions for low rental housing but these never became operative because of the War in 1939. The Act also assisted mortgage borrowers, under certain circumstances, with their property taxes. This was necessary because the cost of relief for the unemployed raised property taxes to a level which became a major deterrent to new house building.

These new provisions under the Act were effective to a degree and combined with a gradual economic improvement, house building increased considerably. While only 2,000 NHA mortgage loan approvals were given in 1938, there were more than 6,000 in 1939.

From the low point of 1933, the volume of overall completions increased from some 21,000 to more than 52,000 in 1939.

During this period when measures were being taken to stimulate new house building, it was becoming more

and more obvious that the readjusted income levels of the country could not sustain the existing mortgage debt, which had been based on grossly inflated land values. This was especially critical in the area of farm mortgage debt.

Accordingly, in 1939, the Government introduced legislation to create a Central Mortgage Bank, as a subsidiary organization of the Bank of Canada. It was proposed the lending institutions reduce their existing mortgage loans on farms and homes to 80% of a new appraisal, with the Government absorbing half the cost of this write-down. The Central Mortgage Bank would also offer discounting facilities to the lending institutions so, if necessary, they could maintain liquidity by pledging mortgages to the Central Mortgage Bank.

The Central Mortgage Bank Act was passed in June 1939, but war broke out before it was proclaimed and the Bank never came into operation.

THE WAR YEARS

The outbreak of war introduced a completely new set of national considerations. Housing could only be dealt with as one of the many problems and activities comprising the war effort. In general, residential construction had to take a low place in the priority of demands on available construction capacity.

On the other hand, it became clear that some housing had to be created quickly in various specific locations to house the workers producing war materials. A new Crown Corporation, Wartime Housing Limited, was set up in 1941 and by the end of 1943 had built close to 20,000 houses.

A number of factors, including rising personal incomes and the shift of population from rural areas to the cities, put a tremendous squeeze on urban housing. A survey of 15 major centers made by the Post Office in 1942 showed only one city with a vacancy rate as high as one-half of one per cent. For practical purposes there were no vacant dwellings in Canadian cities.

In 1943 the Home Conversion Plan was introduced in an effort to cope with this situation. The Department of Finance was enabled to lease large houses and convert them into apartment units. This was a successful operation, but was necessarily a small scale one, and only about 2,000 units were created in this manner between 1943 and 1946.

WARNING

**ACUTE HOUSING SHORTAGE
IN TORONTO, ONTARIO**

Notification is hereby given to non-residents of this City that there is no available housing accommodation here. This Corporation will assume no responsibility or provide any assistance in locating living quarters for any person contemplating moving to Toronto.

For your own comfort and convenience

**DO NOT COME TO TORONTO, ONTARIO
FOR HOUSING ACCOMMODATION**

Robert H. Saunders, C.B.E.,
Mayor
Toronto, August 29, 1947

J. W. Somers, O.B.E.,
City Clerk

By 1947 the lack of housing in Toronto had become so severe the City was obliged to issue warnings of this kind.

By the end of 1941 rents were frozen and it was not until 1950 that all Federal rental controls were removed.

THE "CURTIS REPORT"

Even while the country was waging war with great vigor, thought was being given to the problems which would exist after the cessation of hostilities. An Advisory Committee on Postwar Reconstruction was formed as early as 1941 and in 1942 a Subcommittee on Housing and Community Planning was created, under the Chairmanship of Professor W. A. Curtis. The report of this Subcommittee, presented in the spring of 1944, spelled out the postwar housing problems, as they could then be seen.

The Curtis Report is a significant benchmark in the story of housing in Canada. It gathered together the best available data, surveyed the situation throughout the country, made bold and specific recommendations for the short run and long run, as well as dealing with Community Planning, a neglected art which was to grow in importance.

The Report was necessarily long and cannot be summarized here. It defined a total urban deficiency of 320,000 houses at that time, and estimated current annual needs in the postwar years as requiring 23,000 houses in 1946 with annual increases of 6,000 houses in succeeding years. A ten-year programme to meet current needs and to reduce the backlog would obviously require a greater sustained housing effort than had ever been made before.

POST-WAR LEGISLATION

When, a few months later in 1944, the National Housing Act was passed, it largely consolidated all existing housing legislation, as the Curtis Report had recommended, as well as embodying some of the Report's other points. The Act was sub-titled "... to promote the construction of new houses, the repair and modernization of existing houses, the improvement of housing and living conditions, and the expansion of employment in the postwar period."

The new Act was much broader in scope than the former Housing Acts, and it was made evident the Federal Government was now to be permanently involved in the housing and planning fields.

The following year, in 1945, the Central Mortgage and Housing Corporation Act was passed by Parliament



PAUL HORSDAL

D. B. Mansur, the first President of Central Mortgage and Housing Corporation, 1946-54.

and the Corporation was subsequently formed on January, 1, 1946. Federal involvement under the National Housing Act 1944 was of a semi-commercial character. The Government was in the housing business and it was clear that bargaining, negotiation and the appraisal of risk could all be better done by a Crown Corporation than by a Government department.

The basic functions of the Corporation were to administer the National Housing Act, the Home Improvement Loans Guarantee Act, and provide discounting facilities for loan and mortgage companies. In addition to the National Housing Administration (Department of Finance), The Emergency Shelter Administration (War-time Prices and Trades Board) was also transferred to the new Corporation.

The Corporation is wholly owned by the Crown, and the Board of Directors is appointed by the Government. At its formation, the Board consisted of a President, Vice-President, the Governor of the Bank of Canada, the Deputy Minister of Finance, the President of Wartime



Maj.-Gen. H. A. Young (on right) Vice-President, CMHC 1946-1950, at a Veterans Rental Housing project, Red Rock, B.C.

Housing Limited, and five directors drawn from outside the Civil Service, representing the main geographical regions of Canada.

The first President of the Corporation was D. B. Mansur, who had been named in 1939 to be General Superintendent of the Central Mortgage Bank. As that organization never became active, Mr. Mansur served during the war years as Assistant Chairman of the National War Finance Committee. The Vice-President was Major-General H. A. Young, D.S.O. who had recently retired as Quartermaster General of the Canadian Army.

The capital of the Corporation was set at \$25,000,000 and a reserve fund of \$5,000,000 was authorized to be accumulated from profits. Any additional net income was to be turned over to the Receiver General. This requirement and capital structure is still in effect.

It was essential no pause should occur in the housing program while the Corporation was being formed. The centralized operation of the former National Housing

Administration was carried on at Head Office during the first months; at the same time, plans were made, people hired and personnel trained to enable the effort to be decentralized.

The principal departments formed at Head Office were the Joint Loans Division, the Emergency Shelter Division and the Projects Division. There were also a Personnel Division, a Legal Division, and a "Secretary's Division" with the latter providing necessary services of administration and accounting. Two other divisions which were to grow in importance were set up — an Economic Research Division and an Information Division. Five Regional Offices were also established during the first year, at Halifax, Montreal, Toronto, Winnipeg and Vancouver.

It is difficult to deal with the development of the Corporation, and with the housing problems of the country, on a yearly basis. The complex picture can be seen in better perspective by considering the years be-

tween 1946 and 1949 as a stage which dealt with immediate postwar problems, and during which preparations were made to cope with the long-term ones. As the temporary difficulties were cleared away the long-term problems could be seen more clearly.

THE SHORTAGE OF CONSTRUCTION MATERIALS

A pervasive difficulty during this phase of operations was a critical and frustrating shortage of building materials. Because lending institutions were encouraged to make more mortgage loans and municipalities encouraged to enter into Emergency Shelter and Veterans Rental Housing arrangements, the squeeze on materials became worse.

All building stocks were under the control of the Minister of Reconstruction and Supply. In general, priority was given to housing but factories and other employment-producing facilities could not be refused. In housing, the returning veterans had to be given preference. Priorities within the housing field were largely determined by the Corporation, and for some time its field offices actually issued priority certificates to individual users of cement, plumbing material and other critical goods. At one time the Corporation even maintained large stocks of nails in the field offices and sold them directly to priority holders.

This shortage of materials was so acute that in 1946 and 1947 a large scale programme was carried on in which abandoned military installations were demolished and the reclaimed materials — largely lumber and plumbing — were sold to priority holders. The Corporation field offices, working in close co-operation with the War Assets Corporation, were responsible for the success of this operation which is estimated to have helped in the construction of 10,000 homes. After 1949 the supply of materials was never more than an occasional local difficulty and these special efforts were terminated.

“EMERGENCY” HOUSING PROGRAMMES

The shortage of materials had a significant influence on future programmes. The Corporation took over the operation of the Home Conversion Plan of slightly more than 2,000 units, but reported no new projects were being negotiated at the end of 1946, because of the lack of suitable buildings and high costs of conversion. Arrangements were made for the owners to buy out the

Crown leasehold interest if they wished to do so, and as the leases were purchased, or expired, this wartime emergency scheme was allowed to terminate.

The administration of the Emergency Shelter Order was in general carried out as a Head Office operation. By the end of 1948 there were about 10,000 units, mostly made up of converted buildings. This was basically a municipal venture with financial assistance from the Government. The emergency shelter units were never designed to be more than the name implies; the programme was, in fact, a “necessary evil” and no effort was made to expand or perpetuate it beyond the emergency period. The scheme was also used to supply some 1,600 units for veterans attending universities under the veterans rehabilitation programme.

Another interesting but brief effort was that of Housing Enterprises of Canada Limited, formed by a group of life insurance companies in 1945. They provided its equity capital with the object of building and managing rental housing projects under the “limited-dividend” section of the National Housing Act.

Provision for “limited-dividend” housing had been made in the 1938 Act and continued in the 1944 Act (and also the later 1954 Act). The principle is simple — a company is set up to build and manage rental housing for people of low or moderate income at rents approved by the Corporation. A larger loan, with a longer amortization period, and at a lower rate of interest than ordinary NHA mortgage loans, may be obtained from CMHC, provided the company agrees to limit its financial return from the property — hence the term “limited-dividend”.

Housing Enterprises undertook projects in 28 centres, providing more than 3,300 units, including several apartment house projects. The Company received priority for building materials because it gave rental preference to veterans.

The conception was a good one. The companies participating looked forward to a safe, if low, return on their investment of a 10% equity, and at the same time they would be providing a useful public service. But the conditions of the immediate post-war period, particularly the shortage of materials, created great difficulties for a brand-new, large scale operation. Between 1944 and 1948 the cost of building goods increased by almost 50%, while

wages in the building trades rose about 30%. The costs of setting up the organization were necessarily high.

It proved impossible to maintain the low rent characteristic in view of these rising costs, and no new projects were built after 1946. In 1947, the participating companies asked CMHC to take over and the Corporation assumed responsibility for completing some 1,400 unfinished units and eventually adding them to its stock held for rental to veterans. The houses were gradually sold off over a period of years, mostly to the tenants.

VETERANS RENTAL HOUSING

When the Corporation was established only one major housing activity remained outside its orbit — Wartime Housing Limited, a Crown Corporation. It had been formed in 1941 to build housing for munitions workers and later turned to the production of houses for returning soldiers. From early in 1946 a very close co-ordination was maintained between Wartime Housing and the Corporation but it quickly became evident that complete integration was necessary.

On January 1st, 1947, the Corporation took over the administration of Wartime Housing. This involved large construction and property management responsibilities increasing the Corporation staff from 308 to 1,172. There were also some 500 persons engaged on a part-time or temporary basis.

Wartime Housing had completed about 26,000 units up to the end of 1946. From 1947 to 1950 the Corporation continued the programme and constructed about 24,000 Veterans Rental units.

It had been decided in 1947 that under certain circumstances and at the request of a municipality, these houses could be sold either en bloc to a municipality, or directly to veterans and by the end of 1949 more than 8,000 units had been disposed of in this way.

CORPORATION ORGANIZATION

The Corporation's policy of a decentralized organization proved its merit in this huge construction, management and sales programme, as well as in the more important field of mortgage lending. By the end of 1949, twenty branch offices had been established, in addition to the five regional offices. There were also a large number of District Rental Offices but these were only concerned with the management and sale of completed

Veterans Rental units.

This large network of field offices, each under a Branch Manager having ample authority and assisted as well as supervised by a strong Regional staff, had considerable advantages over the more centralized organization of the former National Housing Administration and Wartime Housing Limited. Policy decisions made at Ottawa could become effective at the local level without delay; conversely, the officials at Ottawa received a constant flow of information and suggestions from the field offices, through the Regional Supervisors, and all this greatly assisted the policy-making process.

In particular, the field offices performed a most useful function of liaison and negotiation with municipalities during the Veterans Rental Programme. While housing in general lies constitutionally within the provincial field, the problem of housing the returning veterans was recognized as a proper area for direct Federal action, and the Provinces were quite willing to have Corporation officials negotiating directly with their municipalities.

FARM HOUSING

In 1947 a section was added to the Act providing for the financing of new homes on farms. This was an interesting variation from normal mortgage practice. It was decided the repayment terms of these loans should be related to crop yields, bearing in mind the fluctuating history of yield and crop values, especially in Western Canada where grain production is one of the chief sources of income, and remembering the sad history of farm loans generally. A crop payment formula was established whereby the annual payment on the mortgage was to be one-half the yield in excess of six bushels per acre of No. 2 Northern.

This plan could not be introduced into Saskatchewan because it conflicted with Provincial legislation. A few loans were made in Alberta, British Columbia, and Nova Scotia, but the plan never accounted for more than a handful of houses. Perhaps this was because the farmers had longer memories of the miseries that may arise from mortgage debt, than did their city cousins.

These important programmes and activities severely tested the policies and skills of the new Corporation. However, they were direct operations, and by their nature were emergency measures to meet immediate and acute

postwar problems.

The houses completed under these various schemes were by no means the greater proportion of all units being built in Canada. In the years 1946 to 1949 almost 320,000 new dwellings were completed; more than one-seventh of these through the direct construction programmes of the government. A larger number were the result of private initiative with financial assistance under the National Housing Act.

NHA MORTGAGE LENDING

The implementation of the ordinary joint-loan mortgage provisions of the National Housing Act was of primary importance in the Corporation during this period. Not only would houses built through private initiative with this assistance help to meet the immediate need for new units, but this was the area where the long-term solution of the country's housing problem must lie. An efficient and confident house-building industry must be encouraged and provision assured for an adequate supply of mortgage funds.

The principal mortgage lenders were the large insurance companies, and in spite of the desperate events of the pre-war years they were able to lend, particularly on the basis of the generous guarantees offered them by the Act. It was good business for them. Under the joint-loan technique, the lending company put up three-quarters of the loan and the Corporation supplied one-quarter; the borrower paid 4½% and since the Corporation only charged 3%, the company had a return of 5% on the loan.

The Corporation took steps to publicize the facilities of the Act and here again, the decentralized field organization was of great assistance. Every effort was made to have loan applications processed as quickly as possible. Meetings were held with builders organizations, realtors, local lenders, and anyone else who cared to listen.

The encouragement of builders was a key concern. A house-building industry had scarcely existed in the immediate pre-war years. It must be remembered, too, that the general outlook in the immediate postwar years was by no means a "boom psychology". The immediate need for housing was plain for all to see, but many thought that as soon as the pressing demand was filled, house construction would again lapse into a minor industry.

After experiences in the great depression no one

looked on real estate as a desirable investment. The demand for home ownership was mostly from people who despaired of being able to find a house to rent, or from those who felt ownership would be cheaper than renting. In 1949, towards the end of the immediate post-war phase, the Financial Post called the housing problem "almost, if not already, solved" and added, "it may take a few more months for the law of supply and demand to assert itself, but at the present rate of building the days of the sellers' market are limited". The early growth of the present house-building industry did not occur in an era of buoyant optimism. Most of the experienced builders were not too willing to become over extended in a field in which they felt no great confidence; and their bank managers were not at all inclined to encourage any very large-scale ventures. However, there was a market, no matter how reluctant, and there was a supply of vacant serviced land as a legacy from the depression.

Between 1946 and 1949 the joint loan provisions of the Act financed the construction of more than 50,000 houses. Previously the greatest number of NHA units financed in any single year had been about 5,000 units exclusive of loans for rental housing. Of the 50,000 units for homeownership, about 15,000 were by or for individual owners on contract, and 35,000 were built for speculative sale by builders. This was a big programme for an under-capitalized building industry.

Almost half of the speculative building was made possible by the Integrated Housing Plan. This was a well designed arrangement to encourage increased production from small builders. The builder agreed to sell to veterans only, at a sale price approved by the Corporation, and received a maximum mortgage loan and an undertaking that if he should be unable to sell the house, CMHC would purchase it at a figure slightly below the agreed market price. This "buy-back" arrangement made it much easier for small builders to make bank arrangements for working capital, since the only amount at risk was, in effect, the builder's own profit. The idea served a very useful purpose at a critical time. However, as confidence in the real estate market grew, and as builders got on a more solid financial basis, the disadvantage of the pre-set sale price overcame any advantages of the "buy-back" procedure and activity under this plan



An Integrated Housing project in Edmonton, Alberta.



A project of Housing Enterprises of Canada Ltd. in London, Ontario.

gradually ended.

The Corporation could be reasonably satisfied with the operation of the Act as it applied to home ownership. The effective demand, if not the underlying basic need, was being met. There seemed to be no shortage of mortgage funds, institutional or private, and for most of this four-year period it appeared that residential units were being built up to the limits imposed by the shortage of materials.

HOUSING FOR RENT

Nevertheless, a large number of people wanted, or needed to have rental accommodation and during the period a disproportionately small number of rental units were built. While 50,000 units were being financed under the Act for home-ownership, only 8,500 were for rental purposes, excluding Housing Enterprises of Canada Limited projects and units under the Rental Insurance Plan.

It is easy to see why there was so little activity in rental housing. During the depression vacancies had been very high and rents very low. Scarcely any of the public companies formed before the depression to hold rental units had been able to maintain their bond obligations and many private investors had fared just as badly. The vacancy problem had cleared up during the war, but the imposition of rental controls had prevented the landlords from recovering their past losses. Rental controls had now been removed from new construction, but a rental project still appeared to an investor as a "heads you win, tails I lose" proposition. General rent levels set in depression years and maintained under rent control were not realistic in view of rising costs. Potential mortgage lenders were, of course, no more enthusiastic than potential investors.

To overcome this situation, the Corporation devised the Rental Insurance Plan and its implementation was authorized by an amendment to the Act in 1948. In outline, the plan permitted the Corporation to guarantee owners a return of rentals sufficient to pay all carrying charges as well as a small return on equity. The guarantee took the form of a rental insurance policy for which the owner paid the Corporation an annual premium.

The impact of this plan was immediate. More private rental units were initiated in 1949 than in the three previous years combined, and before the plan had finally run its course, 20,000 units had been created.

It was particularly important and useful in the Province of Quebec where rental tenure has traditionally been more popular, particularly in the large urban centres, than in other parts of Canada. As soon as the Rental Insurance Plan was introduced and the inhibitions against investment in rental property removed, a very strong response was noticed, particularly in Montreal.

INFORMATION PROGRAMMES

One measure of the Corporation's effectiveness in administering the Act during its first four years of operation, can be seen by the statistic that more than one-fifth of all units built were NHA assisted. Part of the reason for this was a vigorous information effort. The postwar housing situation was confusing for the ordinary citizen. If he owned and occupied a house he had no problem. If he was renting, he had several. How long would his rent be protected by rent control? How long would his tenancy be protected? Would he be wise to try to build a house and end these uncertainties? For a returning veteran, or a person displaced for any reason, the problem was much more complicated. Could he, or should he, try to get a house from Wartime Housing. From Housing Enterprise? A Home Conversion unit? An Emergency Shelter unit? Or should he try to build or buy?

From the beginning, the Corporation's Information Division realized these problems. A flow of appropriate information was sent to newspapers and radio stations. It is evident from some of the newspaper comments that editors could be just as confused as other citizens. While this information was being sent out from Ottawa, officials of the Information Division were also active in travelling the country, talking to editors and finding out what matters required clarification.

Besides providing broad coverage, specific information was also circulated. Negotiations for a mortgage loan might appear formidable to a young veteran; but a series of pamphlets explaining the mechanics of obtaining a loan reduced it to a fairly simple operation. Such material was widely circulated, not only by the Corporation field officers, but by lenders, builders and others. In addition, NHA literature and forms were made available in French for the first time.

QUALITY OF DESIGN AND CONSTRUCTION

During this postwar phase the emphasis was on the

quantity of housing produced, but it was inherent in the Act that the quality of housing was equally important and this aspect was never forgotten, even in the strains of this period. In 1946 the Corporation sponsored, under the auspices of the Royal Architectural Institute of Canada, a "small house" competition to obtain housing plans to the varying needs of Canada's major regions. A booklet of housing designs was made available and sets of complete working drawings were sold by the Corporation at nominal cost. By 1949, one-sixth of the houses financed under NHA loans were using designs supplied by the Corporation. Quality of design and construction was heavily emphasized.

A great problem in house-building in Canada had been a lack of uniformity in Provincial and municipal building codes. The National Housing Administration had been instrumental in issuing a National Building Code in 1941. This was only an advisory document, but it was adopted by many municipalities. Houses financed under the Act were, however, required to be built in accordance with the Code and if the requirements differed from those of the municipal code, the stiffer requirements would govern.

There was some objection by builders that the Corporation's requirements were too high, but this could always be matched with an objection by some of the public that standards were too low. Each unit being built under the Act was inspected by the Corporation, and mortgage advances could not be made until the standards had been met. The improvement and enforcement of the Corporation's building standards has, from the very first, been a worthwhile effort.

RESEARCH ACTIVITIES

Besides the day-to-day enforcement of proper standards, the Corporation was active in research aimed at long-term improvements in building methods. A financial and operating arrangement was made in 1946 whereby the National Research Council, financed by the Corporation, would undertake technical investigations into new methods and materials, while CMHC would act in an advisory capacity and provide liaison with lenders, builders, manufacturers and users.

It was hoped some major technological "break-through" could be made which would improve on the old-

fashioned methods of building houses, from the ground up, by hand. Disparaging comments on house-building techniques compared say, with automobile assembly lines, were commonplace. Various individuals and companies made bold efforts. There were several systems proposed, and tried out, for houses to be erected from concrete sections poured on-site in special forms. There was an ambitious undertaking, by a company which had manufactured airplanes during the war, to make pre-fabricated aluminum houses. Sympathetic encouragement and NHA mortgage financing was made available for these efforts but the break-through did not come, nor has it yet, although the research has been steadily continued.

Another very significant effort was begun in economic research. It was surprising in 1946 to realize how little was actually known about housing in Canada. There was not even a satisfactory way of knowing how many houses had been started or completed in any year. Many statistics, previously considered reliable, broke down on examination. Municipal building permit figures proved quite unreliable for various reasons. Data on building costs were arrived at from fragmentary evidence and there were virtually no statistics on house sales or prices.

In co-operation with the Dominion Bureau of Statistics and other organizations, the Economic Research Division of the Corporation moved to correct these deficiencies. In the last week of 1946 the mortgage lending companies joined the Corporation's field staff in a comprehensive census of all housing under construction in the country; from January 1st, 1947, the Corporation's own staff began a meticulous count of all new dwelling starts, and noted all completions. This "count of front doors" has been continued ever since and supplies the basic figure for measuring quantitative progress.

Statistical series were also begun on NHA and conventional mortgage lending, on types of borrowers, on types and sizes of houses financed under the NHA, and from this early effort has grown the excellent body of housing statistics. For some years these were published in a quarterly CMHC publication "Housing in Canada". To-day the Corporation puts out an annual called "Canadian Housing Statistics" with monthly supplements.

Besides the accumulation of statistical series, more basic economic research was begun. Enquiry was made



"Land Assembly Problems".

into living conditions — particularly with regard to overcrowding. Labor and building costs were examined. Property management data were acquired from the records of the Corporation and from a sample of real estate companies.

Studies were initiated to find methods of estimating housing demand with reasonable accuracy, and a statistical series begun on family formation which was to prove one of the key indicators. Besides the research done within the Corporation, university grants were made to stimulate the decentralization of housing research and to encourage regional and local studies.

The whole field of residential mortgage lending was put under scrutiny, as well as sources of equity financing. This also enabled the Corporation to publish "Mortgage Lending in Canada" each year from 1947 until 1954.

A regular exchange of information and ideas with other countries was established, and for several years a bi-monthly booklet, "Housing Progress Abroad", was distributed.

COMMUNITY PLANNING

The Curtis Report had shown that community planning, and public awareness of its principles and problems, was indispensable to a successful long-term housing programme, and had recommended the Federal Government should take a leading part in promoting this idea.

In 1945 and 1946 community planning was discussed at several Dominion-Provincial Conferences, and in June 1946 a conference, convened by the Corporation, was attended by Provincial representatives and by delegates from the Royal Architectural Institute of Canada, the Town Planning Institute of Canada, the Federation of

Mayors and Municipalities and others. As a result, the Community Planning Association of Canada was formed. CMHC supplied the new Association with a Secretary and office space. For a number of years the Association was mainly supported by grants from the Corporation. Its influence in creating and channelling public interest in all aspects of community planning has been great and will undoubtedly be even greater as time goes on.

The Corporation during this period also made other contributions towards the promotion and improvement of community planning. Studies were undertaken on land use and also on the use of aerial mapping for planning purposes. Scholarships were granted for graduate study in planning and related disciplines while the Corporation also supported a summer school for planning technicians at McGill University in 1948.

While these broadly based efforts were being made to arouse and maintain public awareness of the importance of planning, the Community Planning Division at Head Office was also using the Corporation's experience in Veterans Rental Housing projects, Integrated Housing projects and others, to study project and subdivision planning as part of the larger picture.

Canada's emergency postwar phase and shortage of housing more or less ended in 1949, but another phase of different but still very complicated problems began and they had important long-term implications.

Starts in 1946, 1947 and 1948 showed successive increases but in the following year they were slightly less than in 1948. This was the first year the number of completions significantly exceeded net family formation. About 11,000 more houses were completed than the net increase in the number of families; it was a substantial reduction in the backlog of demand. Housing costs also levelled out during the year, although this proved to be only a pause in a steadily rising graph.

SERVICED LAND PROBLEM

Another major problem now clearly emerging was a shortage of serviced land. Many municipalities had been crippled through the depression years by debt charges incurred from servicing land well ahead of effective demand, and few were willing to take gambles of this sort again. Builders were being forced to finance the services and this was a very great strain on an under-capitalized

industry.

The Act permitted lending institutions to undertake land assembly projects and it provided guarantees of capital recovery. Six projects providing 1,500 lots were undertaken under this plan in 1949. Great hopes were held for the programme, but it never proceeded much further.

Land assembly, from the acquisition of "raw" land through the stages of planning, installation of water and sewer, the construction of roads and sidewalks, through the final sale to people who thought the price much too high, proved tedious and administratively expensive for the lending institutions.

The Corporation during 1949 also undertook some land assembly projects on its own. However, direct land assembly by a Federal agency was not the answer to this important problem and the difficulty was to continue.

SLUM CLEARANCE

Another element of the overall housing problem, which began to grow in importance in 1949, was slum clearance, the forerunner of what is today more euphemistically termed urban renewal. The existence of slums, and the necessity for clearing them out, had been clearly recognized between the wars, and in various cities citizens committees had been active in trying to promote slum clearance. However, in the depression, no municipal funds had been available for this purpose. The Curtis Report had been very definite in stating the need, and the means of Federal financial assistance were included in the Act of 1944.

During the most acute shortage of housing immediately after the war, it was not feasible to pull down even the meanest slum dwelling when, for short periods, veterans families were forced to live in garages. But the imperative social need was still there and recognized.

In 1948 the City of Toronto moved to clear a slum area which had been the object of great concern since the early thirties. A grant of more than \$1,000,000 was made by the Federal Government to assist the City acquire and clear 42 acres of land, on which over 1000 new units were subsequently built by a municipally owned limited-dividend corporation. This was the start of a programme of urban renewal which was to grow vastly in scope and importance.

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Opinions expressed by the authors are not necessarily those of CMHC. All communications should be addressed to the Editor, E. H. Q. Smith.

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The Prime Minister's Address in Calgary

The occasions on which a Prime Minister of Canada publicly enters into a philosophical discussion about our urban environment are few. For this reason, Mr. Pearson's remarks to a Joint Service Clubs luncheon in Calgary are important, and we have reprinted a portion of them in this issue.

In his speech the Prime Minister stressed that all levels of government must work together to provide greater quality of opportunity for the good life. He noted a rising dissatisfaction among Canadians with our urban life and a growing body of opinion which felt that Federal aid, if it concentrated on the provision of housing to the exclusion of open spaces and transportation corridors, would not play its most effective role in future community development.

Mr. Pearson said more consideration must be given to the requirements of the spirit and suggested the need to encourage community units with Neighbourhood Centres to offset those pressures of size, impersonality and alienation which bring on so many social ills. "We must think", he said, "about the quality as well as the security of Canadian life".

There are many who will agree with these views and they will be heartened that the Prime Minister himself has underlined the need.

Twenty Years of Housing CMHC 1946-1966

PART II

The previous installment of this narrative dealt with the years 1946 to 1949. This period saw the country through its immediate post-war housing problems, and the Corporation through its early growth. It was now a strong organization from coast to coast that had successfully dealt with a wide variety of serious short-term post-war situations and was ready to cope with the newer, long-term problems which emerged as the country settled down to a lengthy period of economic expansion. For a variety of reasons, the years 1950 to 1954 may be regarded as the next "phase" of housing progress in Canada and these years will be largely dealt with here.

The first important change in the Corporation's senior management took place in September, 1950 when Major-General H. A. Young, C.B., C.B.E., D.S.O., C.D., resigned from the position of Vice-President. For nearly five of the most critical years of the Corporation's growth, Major-General Young had rendered invaluable service. His background as former Quarter-Master General of the Canadian Army had been beneficial in solving the great problem of veterans housing, and also in the organization of the Defence Construction effort. Major-General Young had also contributed greatly to every aspect of the Corporation's development and it was with much regret that the Directors accepted his resignation in order to become Deputy Minister of Public Works. However, he remained on the Board of Directors of the Corporation and gave valuable service in that capacity until 1963.

Mr. P. S. Secord, OBE, was appointed Vice-President to succeed Major-General Young. Mr. Secord had a long background in the construction industry, and during the war had been a Group Captain, RCAF, responsible for construction in several defence sectors in Canada. Mr. Secord joined the Cor-

poration at its beginning as Regional Supervisor of the Ontario Region, and at the time of his promotion was General Supervisor, Construction Division, Head Office.

Public Housing

A new dimension to the Canadian housing programme was added, in 1949, by a revision to the National Housing Act, authorizing the Federal Minister to enter into agreements with provinces for the provision of housing under Federal-Provincial ownership and management.

"Public housing" was not entirely new in Canada; indeed, the very first Federal involvement in housing, in 1918, had been loans to provincial governments to assist in the development of housing projects by municipalities. Some 6,000 houses for sale or for rent were built between 1918 and 1923 but the history of the programme, in general, was disappointing.

"Public housing" is housing built under that part of the National Housing Act which provides for co-operation between federal and provincial governments in the financing of houses for families of low income.

The new legislation was purposely broad in scope. The Federal-Provincial partnerships could "assemble" and service land for sale, and could build housing units for rent or for sale. Circumstances have never been such as to justify a Federal-Provincial programme of houses built for sale, so the effective provisions have been those for land assembly and for rental housing, which may be at full recovery rents or at subsidized rents.

Enabling agreements were quickly made with most of the provinces. The arrangement calls for the Federal Government to contribute 75% of the cost, and of any necessary subsidy of

by R. G. Lillie

This is the second in a series of articles in which Mr. R. G. Lillie, Special Assistant to the Corporation's Ontario Regional Supervisor, details the attainments of Central Mortgage and Housing Corporation since its inception in 1946.



Mr. P. S. Secord, O.B.E., who became Vice-President in 1950.

operating losses; the remaining 25% is provided by the province who may require a municipality to contribute all or part of the provincial share. Recoveries from the sale of land are shared in the same proportions. The capital cost of rental projects is amortized, usually over a period of fifty years, at a favourable interest rate.

The introduction of the public housing legislation posed many new and challenging problems for the Corporation. The Veterans Rental Housing programme and the Emergency Shelter programme involved the Corporation in direct negotiations with municipalities; this relationship arose out of the special emergencies of the post-war period, but now it was obviously more appropriate to return to orthodox constitutional arrangements whereby municipalities would deal with their provinces, and the provinces with the Federal authority.

The general terms of the new Section 35 permitted the provinces to implement the legislation in the manner best suited to their needs. Newfoundland, with its own particular problems, was the first to take advantage of the possibility of the provision of rental housing at subsidized rents; on the other hand

Ontario, with a healthy economy including an efficient private house building force, proposed at first to limit its participation to land-assembly projects only. New relationships had to be established by Corporation officials on all levels, while policies and techniques had to be worked out to make the new legislation as effective as possible.

A major change arising from the shift to Federal-Provincial arrangements was in the matter of initiative. When implementing the veterans rental programme, the Corporation had often taken the initiative and proposed specific projects to municipalities. It was now felt the initiative for public housing or land assembly projects should arise in the municipality, and municipal requests should be made to the provincial government. This has proved to be a sound principle. The extent to which any provincial government may wish to encourage municipalities to take the necessary official initiative is a matter for each province to decide.

Great Britain and many European countries had experience with public housing for many years, the United States for a shorter period, but circumstances in these countries were not entirely comparable to Canadian conditions, and public housing policy here had to be worked out as time went on.

One of the first principles decided was that while the ownership of public housing units would be with the Federal-Provincial partners, the selection of tenants and the day-to-day management should be in the hands of local people. The procedure, therefore, is that the units are constructed by the partnership and leased, for a forty or fifty year period, to a Housing Authority composed of local citizens of repute approved by the Federal and provincial Ministers.

Principles of tenant selection and operating procedures had to be laid down by the partnership so that the management of all public housing units within a province was consistent. Of course, there also had to be a reasonable consistency of principle among the provinces.

The first project to be completed was at St. Johns, Newfoundland, where 140 subsidized units were occupied in 1951. By the end of 1951, two years after the legislation had been passed, 22 projects from St. John, N.B., to Vancouver had been approved and were in various stages of negotiation and construction. These included land assembly, full recovery rental housing,

subsidized rental housing, and combined land assembly and full recovery rental housing projects.

By the end of 1954, the period now under review, there were 36 land assembly projects completed or under way comprising nearly 4,000 lots, and 38 housing projects comprising more than 3,000 rental units.

Among the Corporation's domestic problems in the earliest years was the physical structure of its Head Office. The "temporary" wartime office building in Ottawa which it used, quickly became inadequate for its needs. With the shortage of building materials the Corporation could not claim any higher priority than other commercial or financial firms which were also in need of better accommodation. However, a site was eventually acquired in the east end of Ottawa, on the Montreal Road, and in 1952 a handsome new building was opened and occupied.

Direct Construction Activities

Between 1947 and 1950 the Corporation built some 24,000 Veterans Rental Housing units. They were of fairly uniform design and specification, the design being a Head Office function, as was the direction and control of the whole programme. The calling and letting of tenders for the projects was a Regional Office function, and so was the task of inspection during construction.

As the requirement for rental houses for veterans tapered off, the Government found that to transfer personnel from one part of the country to another, the Department of National Defence (D.N.D.) would have to build a large number of houses at widely scattered locations. The Department embarked on a programme of about 2,000 units in 1948; the following year the requirement was found to be closer to 5,000 units, and the responsibility for construction was turned over to CMHC. The Corporation was able to take this operation in its stride, and some 12,000 units were built between 1949 and 1954.

A large number of schools were also built for DND under this arrangement. Besides housing and schools, the Department had a large requirement for a wide range of other buildings from barrack blocks and huge airplane hangers to the Pinetree chain of radar bases. The responsibility for constructing these was first undertaken by the Canadian Commercial Corporation, a government procurement agency; but it quickly became obvious

that if this organization was to supervise the construction of these large works properly, it would require a field supervision organization which would simply parallel CMHC's existing field supervision and inspection force. Therefore another Crown agency was formed, taking over the old Wartime Housing Limited charter but with a new name — Defence Construction Limited. This company then completed an agency agreement under the terms of which DCL tenders were called and let by CMHC who also supervised actual construction.

Total construction expenditures under this programme between 1950 and 1954 were just under half a billion dollars. It was naturally much more complex than the DND housing and school programme which dealt largely with uniform designs and specifications. The actual design of the various types of defence facilities was arranged by DCL, but CMHC required a build-up of its supervision and inspection forces to cope with the new load.

Most of the new people required by the Corporation were engineers or persons skilled in the inspection of heavy construction, and it was obvious that when the heavy construction was over, the Corporation would not have a large continuing need for such skills. Because of this, most of the people engaged for the DCL work were brought in on contract instead of on a permanent basis; this arrangement permitted an orderly and fair cut-back of staff as the DCL agency agreement drew towards its close in 1954.

An interesting by-product of the collaboration between the Corporation and the Department of National Defence was the Corporation's ability to assist the Department in devising means of housing the families of Canadian soldiers and airmen serving in France and Germany. Both these countries had acute housing shortages, and yet the Canadian government could not recruit sufficient numbers of servicemen who would leave their families in Canada while they themselves served for years in Europe. The problem was a very difficult one, compounded by shortages in Europe of materials, labour and capital. Canada, however, could assist in the attraction of the latter commodity and did so through a modified rental insurance scheme. French or German entrepreneurs built and financed the units; the Department then guaranteed a return over a five or ten year period so that at the expiration of the guarantee period the local owner had amortized his investment sufficiently that if the units were



The MacLaren Boulevard Federal-Provincial Public Housing Project in Saint John N.B. was first occupied in 1954.

vacated by Canadian servicemen he would be able to rent them profitably in the local market at the much lower rent levels customary in these countries. Similar arrangements persuaded local authorities to build schools for the children of the Canadian servicemen.

As a result of the success of these arrangements in Europe, a similar technique was applied in Canada to get housing accommodation for servicemen without direct investment and ownership by DND. The Department offered rental guarantees to persons who would construct limited-dividend projects for servicemen. The negotiation for such projects was done by the Corporation, and normal limited-dividend loans were offered. Between 1953 and May, 1956, 10 projects comprising 1,467 units were built under this arrangement.

Another of the Corporation's responsibilities during this period was the planning and development of a townsite at Deep River, Ontario, for Atomic Energy of Canada Ltd., a Crown corporation set up to do basic research and development in the atomic energy field. When this project was begun in 1950, the Corporation was responsible not only for the physical development,

but for managing the whole town. This function reverted to local government as the town grew but the Corporation continued to be responsible for planning and development.

Gander

In 1952 the Corporation undertook another interesting planning and development operation at Gander, Newfoundland. This distant airfield had become an essential and major base for commercial transatlantic flying, but the buildings on the base were only frame ones put up for the war, and the then small town of Gander could not, by itself, expand to provide the necessary ancillary services for the growing population on the base. Under arrangements made with the Department of Transport and the government of Newfoundland, a completely new townsite was laid out in the bush adjacent to the airport and the first dwelling units were completed in 1952. By the end of 1954, nearly two hundred houses had been constructed for rental to D.O.T. employees. In 1955 the new town, which had been managed at first by the Department of Transport, achieved the status of a local improvement district.

Ajax, Ontario

During the Second World War a very large manufacturing complex for producing explosives and heavy ammunition had been created at a 3000 acre site some 25 miles west of Oshawa, on the shores of Lake Ontario. At the end of the war production ceased, leaving empty a wide variety of temporary or semi-permanent buildings, including 600 war-workers housing units.

The Federal Government made the factory and office buildings available to the University of Toronto, whose facilities were badly cramped by the heavy influx of students entering under veterans educational assistance grants. This was, of course, only a temporary measure. In 1948 the Government turned the entire project over to the Corporation to be developed into a balanced industrial community.

The installation of services was done in accordance with a long-range plan, and a sustained publicity effort, principally aimed at potential industrial users, was put in hand. A shopping centre was designed and constructed, and additional residential neighbourhoods laid out.

Situated in what is now called "The Golden Horseshoe", stretching from Oshawa to Hamilton, the project experienced a good response from Canadian industry. The area was given municipal status as an improvement district in 1950, and the new municipality took over the operation of civic services from the Corporation. The Corporation only remained to operate and improve the large central heating plant. By 1951, several million dollars worth of industrial construction was underway and more than 50 acres sold for further industrial development. Land was also serviced for housing to preserve the balance of the community.

By 1954 the permanent population had grown to 6000 and Ajax was incorporated as a Town.

NHA Mortgage Lending

As the national economy evolved from a period of postwar readjustment to a state of continued national growth, certain new strains developed in the housing field. In 1950, for the first time since the end of the war, mortgage funds were not available to meet housing demand. In ensuing years this

problem was to occur again and again and, indeed, is not yet satisfactorily solved. It therefore deserves some detailed attention.

The main sources of residential mortgage funds in Canada have been the large institutional lenders, the major lenders being the large life insurance companies. In 1930, at the start of the great depression, about 22% of all their assets were represented by mortgage loans. By 1945 this figure had fallen to 13%, so these companies entered the post war period in a good position to meet the financial demands of an expanding housing programme.

During the immediate post war period the interest yields available on mortgage loans were attractive to them in comparison to the main alternative of high grade bonds and debentures. Interest rates in general were fairly static from 1946 through 1948, but rose in 1949 and again in 1950. The resulting decline in bond prices discouraged the lending institutions from selling these assets for funds to invest in mortgages and of course made bonds more attractive as the investment medium for new funds. In 1951 institutional mortgage lending for all residential

construction was 25% less than in 1950. The decline in NHA loans was 45%. Total housing starts fell to three-quarters of the 1950 figure.

In late June of 1951 the NHA interest rates was raised from 4½% to 5%, and this had some effect in reversing the flight of mortgage monies. In early 1952 it became apparent that more funds were becoming available, and this trend was strengthened by a further rise in the NHA rate to 5¼% in September. The rate on "conventional" mortgages was also rising and for the whole of 1952 the amount invested in mortgages for new residential construction rose to nearly \$46 million. This was much better than the 1951 figure of less than \$39 million, but still well below the 1950 total of over \$55 million.

It was becoming apparent that the available supply of mortgage funds would increasingly tend to put an upper limit on the number of new houses which could be produced in any year, no matter how buoyant the demand might be. As has been mentioned, 13% of the assets of the Canadian Life Companies were in mortgage loans in 1945; by the end of 1953 this had



An early Federal-Provincial Public Housing Project at Fort William, Ontario.



In 1948 the Federal Government turned over to CMHC a 3,000 acre site in Ajax, Ontario for development into a balanced industrial community. The CMHC exhibit here was seen at an exhibition in 1951 promoting the area. Ajax was eventually incorporated as a Town in 1954 with a population of 6,000.

increased to 31%. The same general tendency was true of the trust companies and other institutional sources. It is interesting that in the Corporation's Annual Report for the year 1952 it was noted that by that year the proportion of lending institution assets in mortgages had risen to 27% and the comment was made that such a proportion was "as high as can be expected over a period of years". In fact, the proportion has continued to rise and in 1967 is over 50% for the major Life Companies.

The Corporation, to help meet the increasing shortage of mortgage funds, made direct loans to an increasing extent. Most of the direct lending by the Corporation prior to 1952 was for rental housing in the form of Rental Insurance Guarantee and Limited Dividend loans. However, in 1952, direct loans for home-ownership increased nearly ten-fold to 20 million dollars, and rose to 25 million in 1953. This was about one-eighth of all NHA mortgages made in that year for home-ownership.

By 1953 it was apparent that if private lending was to sustain the high level of house building there would have to be more lenders with more money to lend under the National Housing Act. Accordingly, legislation was introduced in late 1953 which was designed to accomplish this end. The "joint loan" technique was dropped, and replaced by a system of mortgage insurance, and the chartered banks and Quebec savings banks were enabled to make insured mortgage loans. Under the joint loan system, the lending institutions had enjoyed the protection of a "pool guarantee fund" which made a large pool of funds available to recoup mortgage losses but which did not necessarily protect each and every

NHA loan. The new system now gave specific protection to each loan.

For many years Canadian banks had been prohibited from making mortgage loans, not so much because of the risks involved but because of the long term and resulting lack of liquidity. The government insurance feature reduced the risk to a negligible figure, and liquidity was improved by provision for the Corporation to buy insured mortgages from approved lenders and to lend money to approved lenders on the security of insured mortgages.

These provisions became effective with the proclamation of the National Housing Act 1954 in March of that year. The effect of the new lending arrangements, and of the new lenders, was noticed immediately. Loans made by all approved lenders in 1954 involved 50% more units than in 1953 and, of these more than one-third were financed by loans from the banks. The Corporation's direct loan participation was less than 5% of total NHA mortgage lending, against 20% in 1953.

The introduction of the banks into the mortgage lending field brought up some new problems for the Corporation. Under the joint loan technique, the insurance and trust companies which comprised the "approved lenders" had their own experienced mortgage lending personnel and made their own appraisals, a separate appraisal being made by the Corporation. The Banks had no mortgage offices and it was therefore necessary, in order to get bank funds into mortgage loans as quickly as possible, for the Corporation to make the appraisals on the basis of which the banks would make their loans. One of the advantages of having the banks as mortgage lenders was that

their wide network of branches offered maximum convenience to the public making mortgage applications; in order to take the greatest possible advantage of this, the Corporation opened a number of new field offices, and also added mortgage staff to some offices which previously had only been responsible for rental housing administration. These arrangements were made in advance of proclamation of the Act in March and new applications flowed through the banks from the first day.

The Appointment of a New President

The eventful period of 1950-1954, during which the Corporation came into full maturity, ended with the resignation of the first President, Mr. D. B. Mansur, on November 1st, 1954.

Credit for the successful development of the Corporation during its first nine years could be divided among many Canadians, from Cabinet Ministers to junior Corporation employees; but the value to Canada of the personal contribution made by Mr. Mansur during these years cannot be measured. In a unanimous resolution, the Directors of the Corporation recorded their appreciation of the invaluable part he had played "in the development of sound housing policies for Canada, and of the outstanding leadership he had provided in the formation and expansion of the Corporation." Mr. Mansur returned to private business, after a career of more than 16 years in the public service.

On December 6, 1954, Dr. Stewart Bates was named to succeed Mr. Mansur as President. Dr. Bates was an economist who had held various senior positions in the Civil Service and, at the time of his appointment to the Corporation, was Deputy Minister of the Department of Fisheries.